



Trimble Announces Record Quarterly Results

- Record revenues of \$179.5 million versus guidance of \$163.0 - \$166.0 million;
- GAAP EPS of \$0.36 versus guidance of \$0.28 - \$0.30;
- Non-GAAP EPS (35 percent tax rate) of \$0.32 versus First Call mean estimate of \$0.26;
- Full-year revenue guidance increased to \$660.0 - 667.0 million versus previous guidance of \$615.0 - \$625.0 million;
- Full-year GAAP EPS guidance increased to \$1.05 - \$1.09 versus previous guidance of \$0.98 - \$1.04;

SUNNYVALE, Calif., July 27, 2004 -- Trimble (Nasdaq: TRMB) today announced results for its second fiscal quarter ended July 2, 2004. The Company reported second quarter revenues of approximately \$179.5 million, a 30 percent increase over the approximately \$138.1 million reported in the second quarter of 2003. The second quarter is typically the Company's strongest due to seasonality in the Engineering and Construction (E&C) market.

GAAP Net Income and EPS

GAAP net income for the second quarter of 2004 was approximately \$19.5 million, a 140 percent increase over the \$8.1 million reported in the second quarter of 2003. GAAP EPS for the second quarter of 2004 were \$0.36, a 125 percent increase over the \$0.16 reported in the second quarter of 2003. The Company used an 18.3 percent effective tax rate when calculating GAAP net income and EPS for the second quarter of 2004 versus previous guidance of 15 percent. The Company attributed this increase in tax rate to a stronger profit outlook for the entire fiscal year 2004.

Use of Non-GAAP Financial Measures

The Company provides non-GAAP financial measures called "non-GAAP net income" and "non-GAAP EPS" to supplement its consolidated financial statements presented in accordance with GAAP. These non-GAAP financial measures are intended to supplement the user's overall understanding of the Company's current financial performance and its prospects for the future. Specifically, the Company believes the non-GAAP results provide useful information to both management and investors by identifying certain expenses, gains or losses that, when excluded from the GAAP results, may provide additional understanding of the Company's core operating results or business performance. However, these non-GAAP financial measures are not intended to supersede or replace the Company's GAAP results.

Addendum to use of Non-GAAP Financial Measures - effective for the quarter ended July 2, 2004

Beginning with the second quarter ended July 2, 2004, the Company began to report its non-GAAP net income and EPS at a fully-taxed rate of 35 percent. Prior to this change, the Company's reported non-GAAP net income and EPS were taxed using the same effective rate as was used to calculate GAAP net income and EPS. Using this rate (18.3 percent for the quarter ended July 2, 2004) non-GAAP EPS for the quarter would have been \$0.40. Going forward, the Company intends to only report its non-GAAP net income and EPS at a fully-taxed rate of 35 percent. A detailed reconciliation of the GAAP results to the non-GAAP results for the quarter ended July 2, 2004 is provided in the accompanying financial statements under: "Reconciliation of GAAP and Non-GAAP Net Income and EPS (35 percent tax rate)." For the purpose of comparison with prior results, the Company has also put a quarterly reconciliation dating back to the first quarter of 2002 of GAAP to non-GAAP (35 percent tax rate) on its website at the following link: <http://www.trimble.com/investors.html>.

Non-GAAP net income (fully-taxed at 35 percent) for the second quarter of 2004 was \$17.2 million, a 71 percent increase over \$10.1 million for the second quarter of 2003. Non-GAAP EPS for the second quarter of 2004 were \$0.32, a 60 percent increase over \$0.20 for the second quarter of 2003. GAAP and non-GAAP EPS for the second quarter of 2004 were calculated on a diluted basis using approximately 54.6 million shares.

"We continued to see strength across all business segments this quarter," said Steven W. Berglund, Trimble president and CEO. "Demand was generally robust and our competitive position enabled us to take advantage of the improved environment. Our results in construction machine control and agricultural guidance were particularly strong. In addition, our business development efforts continue to produce results. For example, we began initial shipments of our TrimTrac locator product during the quarter. The procurement environment for components remained a challenge, but we have addressed the problem and do not expect it to have a significant effect on future results."

First Fiscal Quarter Business Segment Highlights

Engineering and Construction

E&C reported record quarterly revenues for the second consecutive quarter, growing by more than 22 percent versus the second quarter of 2003. All product segments within E&C performed well and showed double-digit year-over-year growth. Sales of construction machine control products were particularly strong and were driven by seasonal buying in a robust construction market.

Field Solutions (TFS) - Agriculture and Geographic Information Systems (GIS)

TFS also reported record quarterly revenues for the second consecutive quarter, growing by more than 50 percent over the second quarter of 2003. In the agricultural market, continued strong demand for automated and manual guidance products, combined with a robust agriculture environment drove strong sales. In addition, Trimble began shipping its first automated guidance products to CNH Global (NYSE: CNH) for dealer installation during the quarter.

Also contributing to the record quarter for TFS, were record sales of GIS products. These sales were driven by continued acceptance of the Company's GeoExplorer™ series of rugged GPS handheld products, expanded distribution in the U.S. and Europe and state and local government spending in the U.S.

Component Technologies (CT)

Second quarter revenues for CT increased by approximately 11 percent over the second quarter of 2003. Demand for GPS boards used in security and vehicle navigation products drove the year-over-year increase. The Company began shipping its new TrimTrac™ locator and expects to deliver on its growing six-figure unit backlog over the next several quarters.

Mobile Solutions (TMS)

Second quarter revenues for TMS increased by approximately 43 percent over the second quarter of 2003. During the quarter, the total number of subscribers increased by more than 50 percent over the first quarter of 2004 due to strong additions from the Company's dealer channel as well as continued growth in the construction materials supply vertical.

The Company also added two new enterprise accounts over the past several months. In the telecommunications market, the Company won a contract with an enterprise-size customer in July to outfit one division of its national service fleet. Additionally, in the construction materials market, the Company began a multi-quarter installation with one of the 10 largest ready mix fleet operators in the U.S.

Guidance

For the third quarter ending October 1, 2004, the Company expects revenues will be between \$165.0 and \$168.0 million. Within these revenue guidelines, GAAP operating margins are expected to be around 12 percent. Net interest expense is expected to be approximately \$0.9 million, and other non-operating expense should be approximately \$1.8 million. For GAAP income tax provision, the Company now believes the increased profits will move the effective tax rate to 17 percent on a quarterly and full-year basis in 2004. Within these revenue and expense guidelines, Trimble expects GAAP EPS to be between \$0.25 and \$0.27, assuming 55.2 million shares outstanding. GAAP EPS includes approximately \$2.0 million for amortization of purchased intangibles that should be excluded when calculating non-GAAP EPS. As mentioned previously in this release, quarterly and full-year non-GAAP EPS will now be taxed at a 35 percent rate going forward.

Guidance for the entire fiscal year 2004 is for revenues between \$660.0 and \$667.0 million, with GAAP EPS of \$1.05 to \$1.09, assuming a weighted average of 55.0 million shares outstanding for the year. GAAP EPS includes approximately \$8.3 million for amortization of purchased intangibles and \$0.4 million in restructuring charges that should be excluded when calculating non-GAAP EPS.

Investor Conference Call / Webcast Details

The Company will hold a conference call on Tuesday, July 27, 2004 at 8:00 AM Pacific Time to review its second quarter results. It will be broadcast live on the web at <http://www.trimble.com/investors.html>. A replay of the call will be available for 7 days beginning at 5:00 PM, Pacific Time. The replay number is (800) 642-1687, and the passcode is 8530348.

About Trimble

Trimble is a leading innovator of Global Positioning System (GPS) technology. In addition to providing advanced GPS components, Trimble augments GPS with other positioning technologies, as well as wireless communications and software, to create complete customer solutions. Trimble's worldwide presence and unique capabilities position the Company for growth in emerging applications including surveying, automobile navigation, machine guidance, asset tracking, wireless platforms, and telecommunications infrastructure. Founded in 1978 and headquartered in Sunnyvale, California, Trimble has more than 2,000 employees in more than 20 countries worldwide. For an interactive look at Company news and products, visit Trimble's Web site at <http://www.trimble.com>.

Forward Looking Statement:

Certain statements made in this press release are forward looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and are made pursuant to the safe harbor provisions of the Securities Litigation Reform Act of 1995. These statements include the revenue, gross margin, operating expenses, net interest expense, non-operating expense, income tax provision and earnings per share estimates for the quarter ending October 1, 2004 and for the fiscal year ending December 31, 2004. These forward-looking statements are subject to change, and actual results may materially differ from those set forth in this press release due to certain risks and uncertainties. For example, recent strong demand for the Company's products may not continue because of a decline in the overall health of the economy and international markets, which may result in reduced capital spending. In addition, the Company's results may be adversely affected if our joint ventures and recent acquisitions do not achieve anticipated results or our ability to market, manufacture and ship new products such as our TrimTrac locator or new wireline telecommunications products. Any failure to achieve predicted results could negatively impact the Company's revenues, gross margin and other financial results. Whether the Company achieves its guidance for the third quarter of 2004 and the entire fiscal year 2004 will also depend on a number of other factors, including the risks detailed from time to time in reports filed with the SEC, including its quarterly reports on Form 10-Q and its annual report on Form 10-K. Undue reliance should not be placed on any forward-looking statement, contained herein. These statements reflect the Company's position as of the date of this release. The Company expressly disclaims any undertaking to release publicly any updates or revisions to any statements to reflect any change in the Company's expectations or any change of events, conditions, or circumstances on which any such statement is based.

Financial Tables

- [Consolidated Statements of Operations](#)
- [Reconcilliation of GAAP to Non-GAAP](#)
- [Consolidated Balance Sheet](#)
- [Consolidated Statements of Cash Flows](#)
- [Summary Financial Information](#)
- [EBITDA Reconcilliation](#)

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